



State of Utah

Department of Natural Resources

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Division of Oil, Gas & Mining

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Acting Division Director

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Governor

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Lieutenant Governor

February 7, 2005

Alex Boulton
Brush Resources, Incorporated
P.O. Box 815
Delta, Utah 84624

Subject: Bond Cancellation Rescinded, Brush Resources, Inc.; Hogsback Mine,
M/023/053, Juab County, Utah

Dear Mr. Boulton:

On November 17, 2004, we received notification from Travelers Casualty and Surety Company that they were canceling your bond for the Hogsback Mine for nonpayment of premium to be effective February 21, 2005.

On January 24, 2005, we received a letter from Travelers Casualty and Surety rescinding the bond cancellation notice. That letter stated the policy holder was Brush Engineered Materials, Inc., dba Brush Resources, Inc. We asked that if you have changed company names, to inform us officially in writing.

On February 3, 2005, we received another letter from St. Paul Travelers rescinding the Notice of Cancellation dated November 9, 2004. This letter was under the name of Brush Resources, Inc.

Thank you for resolving the name discrepancy. We understand that you are still planning on reducing the surety to \$7,700 as was authorized in August 2004. When we receive that amendment from the surety company, we will advise you.

Sincerely,

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:jb

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